

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 689 – SB 877

March 7, 2011

SUMMARY OF BILL: Requires any grain assessment initiated by the Department of Agriculture after July 1, 2011, to continue until the Tennessee Grain Indemnity Fund has a balance in excess of \$10 million, at which time the assessment must be temporarily suspended. Requires reinstatement of assessments when the Fund balance becomes less than \$8 million.

ESTIMATED FISCAL IMPACT:

Increase State Revenue - \$5,000,000/One-Time/Grain Indemnity Fund

Assumptions:

- Pursuant to Tenn. Code Ann. § 43-32-207, the grain assessment is currently reinstated any time the Grain Indemnity Fund balance falls below \$3,000,000, and ends when it reaches \$10,000,000.
- Under this bill, for the next assessment, the balance must reach \$10,000,000, and then be reinstated when the fund reaches a statutory minimum balance of \$8,000,000. Thus, there will be a one-time increase to state revenue of \$5,000,000 (\$8,000,000 new minimum balance - \$3,000,000 current minimum balance).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, reading "James W. White".

James W. White, Executive Director

/sbh